

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 20, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2678

Introduced by Assembly Member Gray
(Coauthors: Assembly Members Bigelow, Cooper, Dodd, Gallagher,
Mathis, and Salas)

February 19, 2016

An act to amend, repeal, and add Section 19620.2 of the Business and Professions Code, and to add and repeal Sections 6453.1 and 7101.4 of the Revenue and Taxation Code, relating to state-designated fairs, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2678, as amended, Gray. State-designated fairs: funding.

Existing law establishes the Fair and Exposition Fund to, among other things, allocate moneys for the support of the network of California fairs. The balance of moneys in that fund, after appropriation by the Legislature for specified oversight and auditing costs, are continuously appropriated for capital outlay for specified fair projects. Existing sales and use laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state measured by sales price, and requires that revenues, less refunds, derived from a specified rate of that tax be transferred to specified funds and then the balance to the General Fund.

This bill would require a tax return filed for the purposes of the Sales and Use Tax Law to segregate the gross receipts of the seller and the sales price of the property on a form prescribed by the State Board of Equalization when the place of sale or use in this state is on or within the real property of a state-designated fair, ~~defined to mean the 35th District Agricultural Association Merced County Fair and the Merced County Spring Fair~~; fair, as defined, which excludes any fair located in the County of Los Angeles, or any real property of a state-designated fair that is leased to another party.

The bill would require, except as specified, that 30% of all revenues, less refunds and costs of administration, derived from those segregated sales and use tax amounts that would have been deposited into the General Fund instead be deposited into the Fair and Exposition Fund and continuously appropriated for allocation by the Secretary of Food and Agriculture ~~to the 35th District Agricultural Association Merced County Fair and the Merced County Spring Fair~~ for specified fair projects.

The bill would repeal these provisions on January 1, 2022.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19620.2 of the Business and Professions
 2 Code is amended to read:
 3 19620.2. (a) (1) Any unallocated balance from Section
 4 19620.1 and any revenue deposited in the Fair and Exposition
 5 Fund pursuant to Section 7101.4 of the Revenue and Taxation
 6 Code is hereby appropriated without regard to fiscal years for
 7 allocation by the Secretary of Food and Agriculture for capital
 8 outlay to California fairs for fair projects involving public health
 9 and safety, for fair projects involving major and deferred
 10 maintenance, for fair projects necessary due to any emergency,
 11 for projects that are required by physical changes to the fair site,
 12 for projects that are required to protect the fair property or
 13 installation, such as fencing and flood protection, and for the
 14 acquisition or improvement of any property or facility that will
 15 serve to enhance the operation of the fair.
 16 ~~(2) Any revenues deposited into the Fair and Exposition Fund~~
 17 ~~pursuant to Section 7101.4 of the Revenue and Taxation Code~~

1 ~~shall be allocated by the Secretary of Food and Agriculture only~~
2 ~~to the 35th District Agricultural Association Merced County Fair~~
3 ~~and the Merced County Spring Fair for the purposes specified in~~
4 ~~paragraph (1) and as specified in subdivision (b).~~

5 *(2) Any revenues deposited into the Fair and Exposition Fund*
6 *pursuant to Section 7101.4 of the Revenue and Taxation Code*
7 *shall not be allocated to any fair located in the County of Los*
8 *Angeles.*

9 (b) A portion of the funds subject to allocation pursuant to
10 subdivision (a) may be allocated to California fairs for general
11 operational support. It is the intent of the Legislature that these
12 moneys be used primarily for those fairs whose sources of revenue
13 may be limited for purposes specified in this section.

14 (c) This section shall be repealed on January 1, 2022.

15 SEC. 2. Section 19620.2 is added to the Business and
16 Professions Code, to read:

17 19620.2. (a) Any unallocated balance from Section 19620.1
18 is hereby appropriated without regard to fiscal years for allocation
19 by the Secretary of Food and Agriculture for capital outlay to
20 California fairs for fair projects involving public health and safety,
21 for fair projects involving major and deferred maintenance, for
22 fair projects necessary due to any emergency, for projects that are
23 required by physical changes to the fair site, for projects that are
24 required to protect the fair property or installation, such as fencing
25 and flood protection, and for the acquisition or improvement of
26 any property or facility that will serve to enhance the operation of
27 the fair.

28 (b) A portion of the funds subject to allocation pursuant to
29 subdivision (a) may be allocated to California fairs for general
30 operational support. It is the intent of the Legislature that these
31 moneys be used primarily for those fairs whose sources of revenue
32 may be limited for purposes specified in this section.

33 (c) This section shall become operative on January 1, 2022.

34 SEC. 3. Section 6453.1 is added to the Revenue and Taxation
35 Code, to read:

36 6453.1. (a) For purposes of this part only, the return shall
37 segregate the gross receipts of the seller and the sales price of the
38 property when the place of sale in this state or use in this state for
39 purposes of this part is on or within the real property of a

1 state-designated fair or any real property of a state-designated fair
2 that is leased to another party.

3 (b) For purposes of this section, “state-designated fair” means
4 ~~the 35th District Agricultural Association Merced County Fair and~~
5 ~~the Merced County Spring Fair.~~ *a state designated fair as defined*
6 *in Sections 19418, 19418.1, 19418.2, and 19418.3 of the Business*
7 *and Professions Code, excluding any fair located in the County*
8 *of Los Angeles.*

9 (c) Notwithstanding any provision of the Bradley-Burns Uniform
10 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
11 7200)) or the Transactions and Use Tax Law (Part 1.6
12 (commencing with Section 7251)), this section shall not apply with
13 respect to any tax levied by a county, city, or district pursuant to,
14 or in accordance with, either of those laws.

15 (d) This section shall be repealed on January 1, 2022.

16 SEC. 4. Section 7101.4 is added to the Revenue and Taxation
17 Code, to read:

18 7101.4. (a) Notwithstanding Section 7101 or any other law,
19 except as otherwise required to be transferred pursuant to the
20 California Constitution or Sections 6051.2, 6051.8, 6051.15,
21 6201.2, 6201.8, 6201.15, and 7101.3 or subdivision (a) of Section
22 7102, 30 percent of all revenues, less refunds and costs of
23 administration, derived under this part that were segregated
24 pursuant to Section 6453.1, upon receipt shall be transferred to the
25 Fair and Exposition Fund in the State Treasury. Any amounts
26 deposited in the Fair and Exposition Fund pursuant to this section
27 shall be continuously appropriated and allocated as provided in
28 Section 19620.2 of the Business and Professions Code.

29 (b) This section shall be repealed on January 1, 2022.